GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4631
ANSWERED ON:25.04.2008
LOAN TO WOMEN SELF HELP GROUPS
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Will the Minister of FINANCE be pleased to state:

(a) the details of cumulative loan disbursed by Nationalised Banks to Self Help Groups during the last one year;

(b) the number of Women Self Help Groups that have been financed alongwith the nature of projects for which credit has been raised by them; and

(c) the steps taken/being taken by the banks to encourage Self Help Groups to come forward and avail credit benefits?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) : The aggregate amount of loan disbursed by Public Sector Banks (PSBs) under the Self Help Group (SHG)-Bank Linkage Programme was Rs.3,479.13 crore during the year 2006-07.

(b) : During the year 2006-07, out of 11.37 lakh SHGs financed by all banks, 5.37 lakh SHGs were financed by PSBs. A recent study conducted by National Council of Applied and Economic Research (NCAER) has observed that about 80% of SHGs have only women members. The study has also shown that the major purposes of lending by SHGs were agriculture (37.7%), other income generating activities including trade and crafts (24.1%), household assets/house improvements (6.0%), repayment of debt (7.6%) and basic consumption needs like education, health etc.(24.6%).

(c) : Some of the major steps initiated by the banks to encourage SHGs to come forward and avail credit benefits are :

Opening of Saving Bank Accounts in the name of SHGs.

SHG lending is to be treated as a normal lending activity of the bank.

SHG lending by banks is treated as a priority sector lending.

RBI has relaxed the margin and security norms for financing SHGs.

Adoption of Simplified loan documentation by banks for SHGs.

Besides, NABARD has been providing training support to various stakeholders of the programme and also grant support to various Self Help Promoting Institutions (SHPIs) for promoting and credit linking SHGs.